

**BOB F. ANDERSON, PE, INC.**  
**PETROLEUM ENGINEERS & CONSULTANTS**  
TELEPHONE (318) 425-4230  
FACSIMILE (318) 222-1054  
email: [bfandpe@bellsouth.net](mailto:bfandpe@bellsouth.net)

August 1, 2007

Honorable James H. Welsh,  
Commissioner of Conservation  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, LA 70804-4275

**Re: APPLICATION FOR PUBLIC HEARING**

Proposed Additional Unit  
James Formation, Reservoir B  
Spider Field  
DeSoto Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **SGS NATURAL GAS OPERATING, LLC**, (Applicant), to the Commissioner Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the James Formation, Reservoir B, Spider Field, DeSoto Parish, Louisiana:

1. To create one (1) additional 640 +/- acre drilling and production unit for the exploration of and the production of gas and condensate for the James Formation, Reservoir B, in the Spider Field, DeSoto Parish, Louisiana, such unit being designated JAMES RB SUQ and shown on the attached plat and being made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
3. To designate a unit operator and unit well where applicable.
4. To extend the provisions of Office of Conservation Order No. 92-M-9, effective March 15, 2005, to the proposed JAMES RB SUQ and all other applicable Statewide Orders to the proposed unit.
5. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

Hon. James H. Welsh  
Spider Field  
2

The James Formation, Reservoir B, was defined in Office of Conservation Order No. 92-M-9, effective March 15, 2005, in the Spider Field, DeSoto Parish, Louisiana.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained at the expense of the requesting party.

A pre-application notice was sent to all parties stating a time and date for a conference to discuss the proposed application, however no request for a conference was received, therefore no conference was held.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this application is being sent. A copy of this letter, plat and list of parties is being sent to the District Manager of the Shreveport District Office of Conservation and the attached letter and plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list. Upon receipt of the legal notice, it will be published in a newspaper with a general circulation of the field and will be posted in the Clerk of Courts Office in DeSoto Parish, Louisiana.

Attached is our check, **MADE PAYABLE TO THE OFFICE OF CONSERVATION**, to cover the applicable hearing fee.

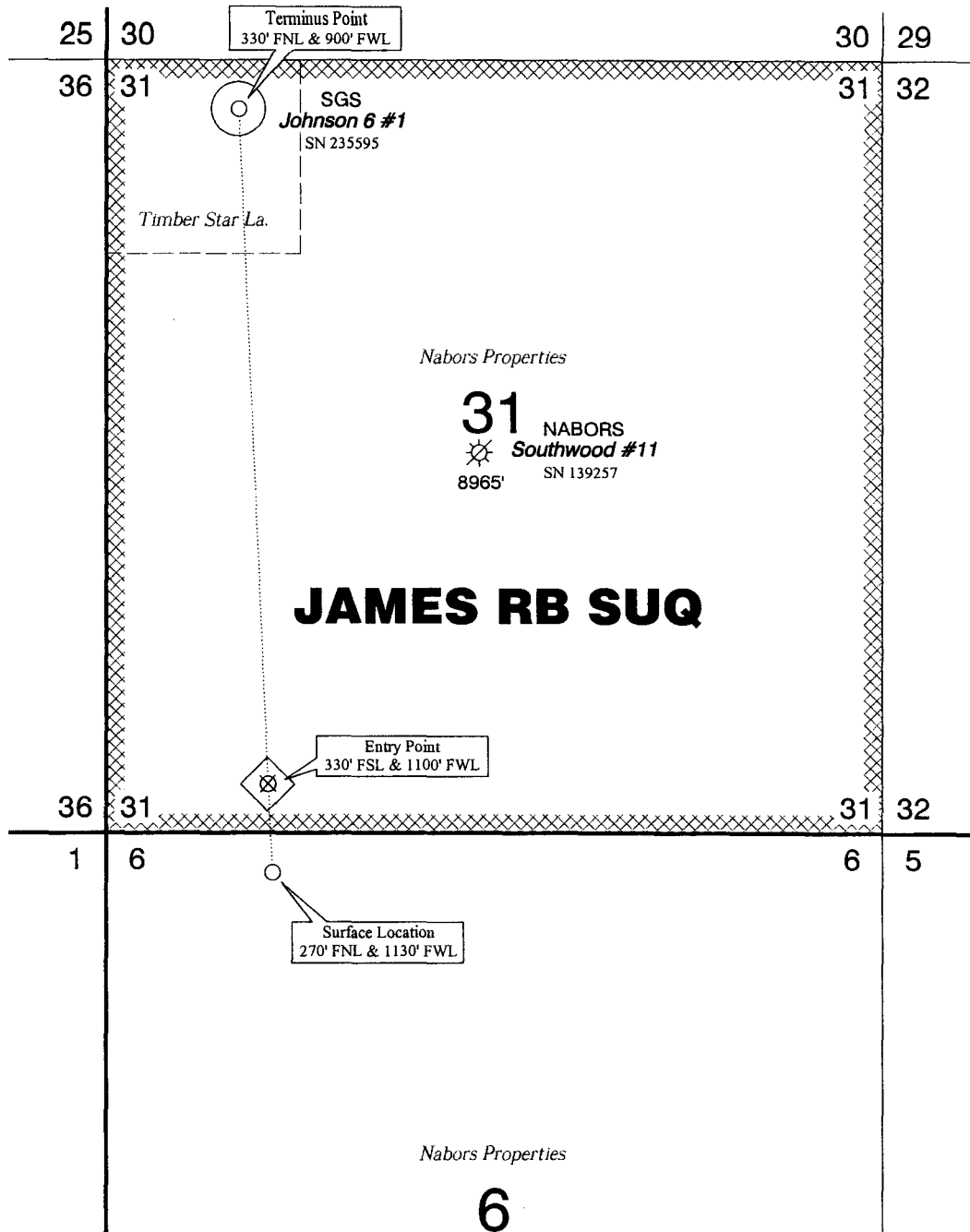
Yours truly,



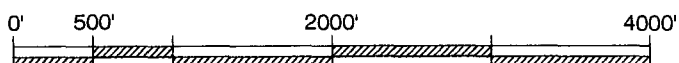
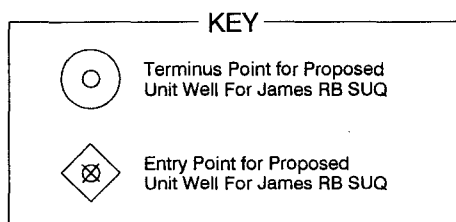
B. F. Anderson, PE for  
SGS NATURAL GAS OPERATING, LLC

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation  
Interested Owners, Represented Parties and Interested Parties  
Mr. Martin Mitcham, SGS

**R 13 W**



NOTE: ONLY WELLS PENETRATING THE JAMES ARE SHOWN



**SGS Natural Gas Operating, LLC**

**SPIDER FIELD**

DESOTO PARISH, LOUISIANA

PROPOSED HORIZONTAL LATERAL  
UNIT WELL

**JAMES RB SUQ**

DOCKET NO. 07-

EXHIBIT NO.1